

**BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA**

DOCKET NO. 2020-____-E

In re:

Application of Duke Energy Carolinas, LLC)
for Approval of Demand-Side Management)
and Energy Efficiency Rider 12, Increasing)
Residential Rates and Decreasing Non-)
Residential Rates)

**DUKE ENERGY CAROLINAS, LLC'S
APPLICATION FOR APPROVAL OF
RIDER 12**

Pursuant to S.C. Code Ann. § 58-37-20 and S.C. Code Ann. Regs. 103-819 and 823, the Rules of Practice and Procedure of the Public Service Commission of South Carolina (“Commission”), Duke Energy Carolinas, LLC (the “Company” or “Duke Energy Carolinas”) hereby applies to the Commission for approval of its demand-side management (“DSM”) and energy efficiency (“EE”) rider for 2021 (“Rider 12”). Duke Energy Carolinas also requests that the Commission allow it to recover the costs of its Interruptible Service and Stand-By Generator programs (“Existing DSM Programs”) as a component of this Rider 12.

In support of this Application, Duke Energy Carolinas shows the Commission the following:

Name and Address of Duke Energy Carolinas

1. The correct name and post office address of the Company is Duke Energy Carolinas, LLC, Post Office Box 1321, Charlotte, North Carolina 28201.

Notices and Communications

2. The names and addresses of the attorneys of Duke Energy Carolinas who are authorized to receive notices and communications with respect to this Application are:

Rebecca J. Dulin
 Duke Energy Corporation
 1201 Main Street, Capital Center Building, Suite 1180
 Columbia, SC 29201
 Tel. 803.988.7130
rebecca.dulin@duke-energy.com

Samuel J. Wellborn
 ROBINSON GRAY STEPP & LAFFITTE, LLC
 1310 Gadsden Street
 Columbia, SC 29201
 Tel. 803.231.7829
swellborn@robinsongray.com

Description of the Company

3. The Company is engaged in the generation, transmission, distribution, and sale of electric energy at retail in the western portion of South Carolina and central and western portions of North Carolina. It also sells electricity at wholesale to municipal, cooperative, and investor-owned electric utilities. Duke Energy Carolinas is a public utility under the laws of South Carolina and is subject to the jurisdiction of this Commission with respect to its operations in this State. The Company also is authorized to transact business in the State of North Carolina and is a public utility under the laws of that state. Accordingly, its operations in North Carolina are subject to the jurisdiction of the North Carolina Utilities Commission.

Background

4. Rider 12 seeks to recover from customers the amounts associated with the cost recovery mechanism the Commission approved in Order No. 2013-889, issued in Docket No. 2013-298-E, as well as the costs associated with Existing DSM Programs.

5. The recovery mechanism of the Company's EE/DSM portfolio is a shared savings model with three distinct components: (1) recovery of the costs the Company incurs to offer and deliver EE and DSM programs to customers; (2) recovery of net lost revenues incurred for up to thirty-six (36) months of a measure's life for EE programs; and (3) a shared savings incentive that is equivalent to 11.5% of net savings achieved through the Company's portfolio of EE/DSM programs.

6. The Existing DSM Program recovery method remains unchanged.

Components of Rider 12

7. Calculations for Rider 12 were computed in accordance with the Application, testimony and the Commission's Order in Docket No. 2013-298-E. The specific components of Rider 12 include:

- a. Year 2017, January 2017 – December 2017: True-up of Year 1, Year 2 and Year 3 lost revenues.
- b. Year 2018, January 2018 – December 2018: true-up of shared savings, true-up of Year 1 and Year 2 lost revenues and an estimate of Year 4 lost revenues.
- c. Year 2019, January 2019 – December 2019: true-up of program costs, shared savings and Year 1 of lost revenue and an estimate of Year 3 lost revenues.
- d. Year 2020, January 2020 – December 2020: estimate of Year 2 lost revenues.
- e. Year 2021, January 2021 – December 2021: estimate of program costs, shared savings, and Year 1 lost revenues, as well as an estimate of 2021 existing DSM program costs.

8. Lost revenues associated with participants enrolled during the Year 2017 test period (twelve months ended December 31, 2017) of the most recent base rate case proceeding in Docket No. 2018-319-E have been adjusted based on specific enrollment dates, and a portion of these lost revenues have been removed and included in base rates.

Rider 12 Rate Overview

9. The revenue Duke Energy Carolinas proposes to recover through the proposed Rider 12¹ is as follows:

- \$46,217,724 for Residential Customers (Exhibit A, Line 15) and
- \$32,452,445 for Non-Residential Customers (Exhibit A, Line 61).

For Rider 12, because non-residential customers can opt-out of various components and vintage years of EE/DSM, those billing factors were separated to reflect non-residential customer participation in EE programs, DSM programs, or both EE and DSM programs. The proposed Rider 12 billing factors include prospective and true-up components. Based on the total costs to be recovered under the proposed Rider 12, as shown on Exhibit A, the billing factors applicable to South Carolina customers for the billing period January 1, 2021 through December 31, 2021, would be as follows:

Residential Billing Factors	¢/kWh
True-up Component for Years 2017, 2018 and 2019	0.1311
Prospective Component for Vintage Years 2018 – 2021	0.5700
Residential Rider 12 (Total)	0.7011

Non-Residential Billing Factors	¢/kWh
Year 2017 EE Participant – True up	(0.0126)
Year 2017 DSM Participant – True up	0.0009
Year 2018 EE Participant – True up	0.0185
Year 2018 DSM Participant – True up	(0.0015)
Year 2019 EE Participant – True up	(0.1379)
Year 2019 DSM Participant – True up	0.0032
Year 2018 EE Participant – Prospective	0.0452

¹ Billed at 100%, pursuant to Order 2013-889.

Year 2019 EE Participant – Prospective	0.0815
Year 2020 EE Participant – Prospective	0.0753
Year 2021 EE Participant – Prospective	0.4565
Year 2021 DSM Participant – Prospective	0.1658

10. The proposed tariff sheet for Rider 12 is attached as Exhibit B to the Application. A summary of the calculations used to determine these billing factors and the revenue requirement for Rider 12 is attached as Exhibit A to the Application. The supporting calculations for Exhibit A are also attached. A detailed description and evaluation of the Company's EE and DSM programs for 2019 is set forth in Rider 12, Exhibit 5. As noted in the 2019 Analysis of Energy Efficiency Portfolio report provided as Exhibit 8 to the Company's Rider 11 Application filed in Docket No. 2019-89-E, the Company is no longer required to prepare and file annual status updates on the EE goals established in the settlement agreement entered into in Docket Nos. 2011-158-E and 2011-68-E.²

Conclusion and Request for Approval

11. Based on the foregoing, the Company respectfully requests that the Commission grant its application seeking approval of Rider 12 as described in this Application and supporting exhibits. Additionally, the Company would ask the Commission to allow the proposed rate to be put into effect without hearing pursuant to S.C. Code § 58-27-870(F) (2015). The proposed rates do not require a determination of the entire rate structure and overall rate of return, and will facilitate an orderly rate administration.

Respectfully submitted this the 2nd day of March 2020.

² See Order No. 2013-889 at Order Exhibit No. 1, Revised Settlement Agreement at P 10, Docket Nos. 2013-298-E & 2013-299-E (Dec. 20, 2013) ("The Company will file the study for informational purposes in the first DSM/EE rider proceeding to occur after the study is completed; and will file annual status updates on the study in each annual DSM/EE rider proceeding during the 2015-2019 period.").

Rebecca J. Dulin
Associate General Counsel
Duke Energy Carolinas, LLC
1201 Main Street, Capital Center Bldg., Suite 1180
Columbia, SC 29201
Tel. 803-988-7130
rebecca.dulin@duke-energy.com

s/Samuel J. Wellborn
Samuel J. Wellborn
ROBINSON GRAY STEPP & LAFFITTE, LLC
1310 Gadsden Street
Columbia, SC 29201
Tel. 803.231.7829
swellborn@robinsongray.com

Rider 12 Exhibits

Exhibit A	Summary for Rider EE Exhibits and Factors
Exhibit B	Tariff Sheet
Year 2017 Exhibit 1	True-up of Year 1, 2 and 3 Lost Revenues Applicable to Residential and Non-Residential Customers
Year 2017 Exhibit 2	Load Impacts and Estimated Revenue Requirements for Program Year 2017
Year 2017 Exhibit 3	Allocation Factors, Year 2017
Year 2018 Exhibit 1	True-up of Shared Savings and Year 1 and 2 Lost Revenues; Estimate of Year 4 Lost Revenues Applicable to Residential and Non-Residential Customers
Year 2018 Exhibit 2	Load Impacts and Estimated Revenue Requirements for Program Year 2018
Year 2018 Exhibit 3	Allocation Factors, Year 2018
Year 2019 Exhibit 1	True up of Shared Savings, Program Costs and Year 1 Lost Revenues; Estimate of Year 3 Lost Revenue
Year 2019 Exhibit 2	Load Impacts and Estimated Revenue Requirements for Program Year 2019
Year 2019 Exhibit 3	Actual Existing DSM Program Costs – Year 2019
Year 2019 Exhibit 4	Allocation Factors, Year 2019
Year 2019 Exhibit 5	Actual Program Costs – Year 2019
Year 2019 Exhibit 6	Changes from Rider 10 Due to Application of M&V and Participation
Year 2020 Exhibit 1	Estimate of Year 2 Lost Revenues
Year 2021 Exhibit 1, page 1	Estimated Annual Rider Applicable to Residential Customers
Year 2021 Exhibit 1, page 2	Estimated Annual Riders Applicable to Non-Residential Customers
Year 2021 Exhibit 2	Load Impacts and Estimated Revenue Requirements for Program Year 2021

Year 2021, Exhibit 3	Allocation Factor Estimate for 2021
Rider 12 Exhibit 1, Page 1	Lost Revenues Summary – Year 2017
Rider 12 Exhibit 1, Page 2	Lost Revenues Summary – Year 2018
Rider 12 Exhibit 1, Page 3	Lost Revenues Summary – Year 2019
Rider 12 Exhibit 1, Page 4	Lost Revenues Summary – Year 2020
Rider 12 Exhibit 1, Page 5	Lost Revenues Summary – Year 2021
Rider 12 Exhibit 2	DSM/EE Revenues Collected from Riders (By Year & Vintage)
Rider 12 Exhibit 3, page 1	Forecasted kWh Sales for Rate Period (Years 2017-2021)
Rider 12 Exhibit 3, page 2	Forecasted kWh Net Metering Impacts for Year 2021
Rider 12 Exhibit 4, Page 1	Residential Interest Calculation – Years 2017-2018
Rider 12 Exhibit 4, Page 2	Residential Interest Calculation - Year 2019
Rider 12 Exhibit 4, Page 3	Non-Residential Interest Calculation – Year 2017
Rider 12 Exhibit 4, Page 4	Non-Residential Interest Calculation – Year 2018
Rider 12 Exhibit 4, page 5	Non-Residential Interest Calculation – Year 2019
Rider 12 Exhibit 5	Evaluation, Measurement and Verification Report
Rider 12 Exhibit 6	Description and Evaluation of EE and DSM Programs for 2019
Rider 12 Exhibit 7	Vintage Years, 2017, 2018, 2019 and 2020 Non-Residential Opt-Out Data